

October 18, 2007

**For Immediate Release**

New City Residence Investment Corporation  
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(Securities Code: 8965)

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**Notice Concerning Debt Financing**

New City Residence Investment Corporation (“NCRI”) today announced its decision to undertake debt financing as follows:

**1. Rationale**

NCRI has decided to undertake debt financing to support the acquisition of real estate property in a certain property (Note) and payment of associated costs.

Note: The aforementioned real estate property relate to New City Residence Yoga (tentative name), New City Residence Higobashi Tower (tentative name) (“the subject properties”). Please refer to the press release “Notice Concerning the Proposed Acquisition of Investment Asset” dated July 27, 2007 and August 17, 2007 for details.

**2. Details of debt financing**

- |                         |   |  |
|-------------------------|---|--|
| 1 Lender                | : | The Chuo Mitsui Trust and Banking Co. Ltd.<br>Sumitomo Mitsui Banking Co.<br>Aozora Bank, Ltd.<br>The Chiba Bank, Ltd.   |
| 2 Amount                | : | ¥4.5 billion   |
| 3 Interest rate         | : | 1.25591%   |
| 4 Borrowing period      | : | One year   |
| 5 Drawdown date         | : | October 19, 2007   |
| 6 Debt financing method | : | In regards to Basic Collateral Free Loan Agreement dated April 26, 2006 (hereafter “this Basic Agreement” including changes thereafter and adding the lender), NCRI will conclude monetary loan agreement on October 18, 2007 with the lenders in the above 1. |
| 7 Repayment date        | : | October 17, 2008   |

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8 Repayment method : Principal repayment in full on maturity

9 Collateral : No collateral or guarantee (Note)

Note: A mortgage will be placed when one of the certain reasons designated in this Agreement occur after the loan is executed.

### 3. Use of debt financing

Debt financing will be used to acquire specified assets (the subject properties).

- This document is released to media organizations through the “Kabuto Club” (the press club of the Tokyo Stock Exchange), the Ministry of Land, Infrastructure and Transport Press Club, and the Press Club for the Ministry of Land, Infrastructure and Transport Construction.
- URL: <http://www.ncrinv.co.jp/eng/>

### Attachment

(Millions of yen)

		Debt Financing Balance Prior to Additional Debt Financing	Debt Financing Balance After Additional Debt Financing (Note 4)	Change
Short-Term Debt	Basic Collateral Free Loan	17,500	22,000	4,500
Long-Term Debt	Term Loan (B)	12,200	11,294	(906)
	Term Loan (C)	19,550	17,995	(1,555)
	Basic Collateral Free Loan	24,100	24,100	—
Total Debt Financing Balance		73,350	75,389	2,039
Investment Corporation Bonds		31,000	31,000	—
<b>Total Interest-bearing liabilities</b>		104,350	106,389	2,039
Unitholders' Capital (Note 1)		85,791	85,791	—
Interest-Bearing Liabilities Ratio (%) (Notes 2 & 3)		54.9%	55.4%	0.5%

Notes:

1. Figures under million yen are rounded.
2. Interest-bearing liabilities ratio (%) = Interest-bearing liabilities ÷ (Interest-bearing liabilities + Unitholders' capital) x 100
3. The interest-bearing liabilities ratio is rounded to the nearest first decimal point.
4. The debt financing balance after additional debt financing indicates the amount outstanding after the repayment of debt financing to be scheduled on October 30, 2007. Please refer to the press release, “Notice Concerning the Repayment of Debt Financing” dated October 16, 2007.

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